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SUBJECT: JERUSALEM MEDIA REACTION (08/14): Time Has Come For

National Reconciliation

Main Stories:

Al-Quds leads with reports on Israeli government sources assuring "progress has been achieved concerning the prisoner exchange negotiations." The reports also note that negotiations between Hamas and Israel have reached a critical stage with expectations that a deal will involve the release of kidnapped Israeli soldier Gilad Shalit in return for hundreds of Palestinian prisoners. According to coverage, Germany and former US President Jimmy Carter have been engaged with Egypt and other relevant parties to help finalize the deal.

Al-Ayyam and Al-Hayat Al-Jadida lead with news on Palestinian Authority (PA) President Mahmoud Abbas chairing the first meeting of the newly elected Fatah Central Committee (FCC) on August 13. The dailies quote Abbas reiterating that "Fatah will rebuild itself and its political program." The president noted to the press after the meeting that Fatah is committed to pursuing dialogue with Hamas and to ending the internal division. He also stated that the PA will not pursue any negotiations with Israel unless the latter completely halts all settlement activity, according to coverage.

In related news, all dailies highlight reports that former PA Prime Minister and senior Fatah figure Ahmed Qurai, who was not reelected to the FCC, has voiced suspicions about the integrity of the FCC electoral process.

Al-Hayat Al-Jadida front pages news citing Maan News Network and Israeli TV Channel One on August 13 that Qatar and Oman will consider renewing diplomatic relations with Israel once Israel agrees to freeze settlement construction. Per the coverage, this is the result of increased US pressure on Arab states to take tangible steps towards normalizing relations with Israel.-----BLOCK QUOTES:

expansion?"

1) Al-Quds independent daily runs an editorial under the title, "Is it time to end the division?"(08/14): "After the success of the Fatah conference, isn't it time to end the division and achieve reconciliation ... Isn't it time to give consideration to national unity and national interests? Isn't it time to prioritize our r national unity above all else? Weren't the last two years of division more than enough? Didn't they give Israel all the time and

excuses needed to pursue home demolitions and settlement

2) Rajab Abu Sirriyeh opines in Al-Ayyam independent daily under the headline "Fatah, the central committee wins" (08/14): "The conference has empowered Fatah, which rekindled its status as a major movement, led by Abu Mazen, who is now capable of ending the internal Palestinian division and more capable of pursuing negotiations with Israel. This explains why Netanyahu was nervous about the conference. Fatah will now push its political program and will pave the way for the Palestinian state."

WALLES